



Office of the City Manager

CONSENT CALENDAR  
December 12, 2006

To: Honorable Mayor and  
Members of the City Council

From: *PK* Phil Kamlarz, City Manager

Subject: Contract: Sewer Service Rate Analysis

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to enter into an agreement and any amendments with Harris & Associates in an amount not to exceed \$103,000 to provide a Sewer Service Charge Rate Analysis and conduct resulting rate setting hearings for proposed service charge modifications for the period December 12, 2006 through October 30, 2007.

FISCAL IMPACTS OF RECOMMENDATION

The cost of the contract will be funded through available Sanitary Sewer Fund fund balance (Fund 830).

CURRENT SITUATION AND ITS EFFECTS

The study seeks to ensure that the City's rate structure is reasonable and meets the evolving standards of applicable law. Once the study is completed, the recommended rates will come back to the City Council for adoption after notice to property owners.

BACKGROUND

The City sewer service charge produces revenue to provide operations and maintenance and capital improvements and replacement of the sewer system's infrastructure. The City provides the wastewater delivery system through its pipes to a wastewater treatment facility operated by EBMUD. The rates charged to ratepayers are based on water consumption, which is metered by EBMUD. Wastewater is not metered separately. To address not having meter readings for wastewater, the City has used a validated methodology to determine the percentage of metered water discharged into the sewer system, based on type of building use and time of year (i.e. in summer residential water use considers that water is also used for outdoor irrigation). The rate methodology used by the City was developed by Brown and Caldwell in 1997 and was updated by the firm in 2005 based on guidelines promulgated by the State Water Resources Control Board.

Harris & Associates is an engineering and construction firm with expertise in developing utility user fees and conducting noticing and tabulation for fee proceedings. Recent work includes sewer rate analysis and proceedings for the Cities of Palos Verdes Estates, South San Francisco and Modesto. The City solicited a proposal from the firm in October in order to move forward on bringing forward rates for consideration by the Council by the end of the fiscal year.

RATIONALE FOR RECOMMENDATION

See above.

ALTERNATIVE ACTIONS CONSIDERED

Rates must be supported by a rate study.

CONTACT PERSON

Tracy Vesely, Budget Manager 981-7024

Claudette Ford, Public Works Director 981-6300

Attachments:

1: Resolution

RESOLUTION NO. ##,###-N.S.

AGREEMENT TO PROVIDE SEWER SERVICE CHARGE RATE ANALYSIS AND  
CONDUCT RATE SETTING HEARINGS.

WHEREAS, the City operates and maintains the City Sewer System and periodically retains expertise to review and analyze the methodology and rate structure of the sewer service charges;  
and

WHEREAS; Harris and Associates, is an engineering firm that has expertise and experience with sewer rate analysis and rate hearings.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is authorized to enter into a contract and any amendments with Harris & Associates in an amount not to exceed \$ 103,000 for the period December 12, 2006 through September 30, 2007 to provide Sewer Service Charge Rate Analysis and assist in the conduct of rate hearings.

